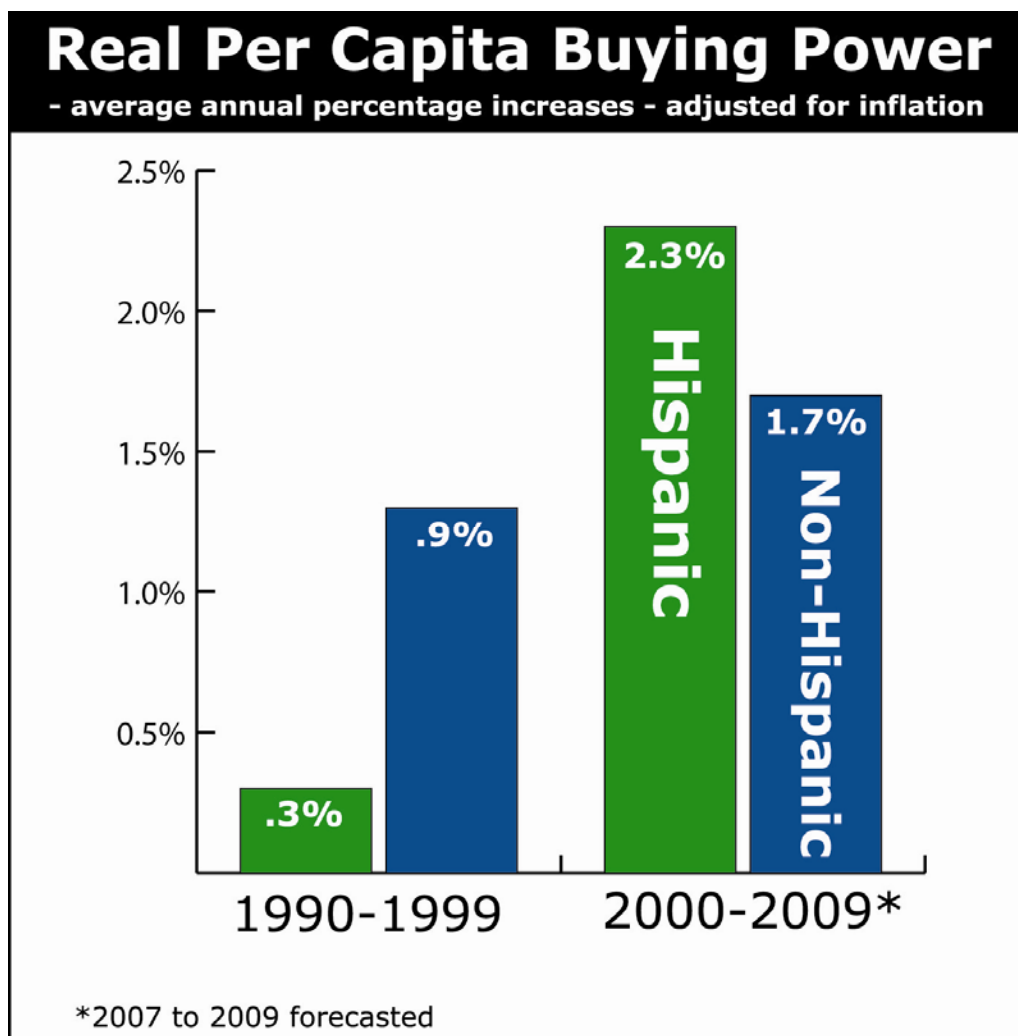


Hispanic Buying Power 2007



March 2007

A report from the Idaho Commission on Hispanic Affairs
in partnership with Idaho Commerce & Labor

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Report available online at www2.state.id.us/icha.

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Hispanic Buying Power - 2007

The growth of Idaho's Hispanic population has cooled from the breakneck rates of the early 1990s, but the economic impact of Idaho's largest and fastest growing minority continues to grow faster than Hispanics nationwide.

In 2007 Hispanic buying power is expected to rise 9 percent from 2006 compared to an 8 percent increase in the buying power of Hispanics nationwide, according to the Selig Center for Economic Growth at the University of Georgia.

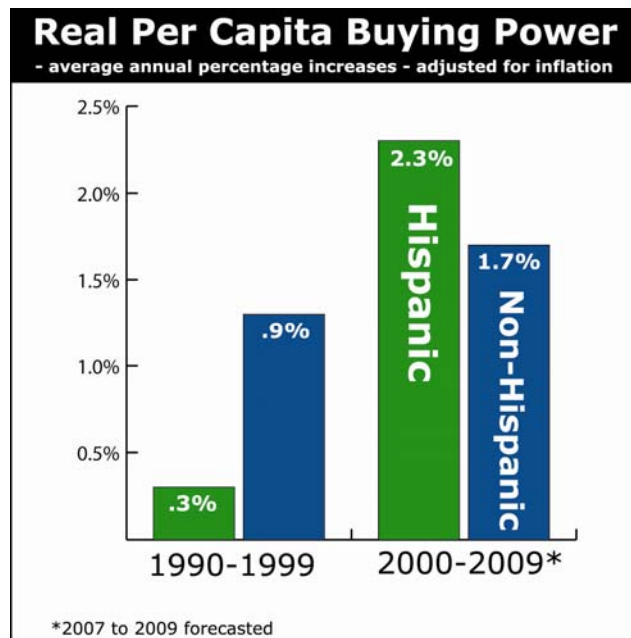
Within Idaho, the economic influence of Hispanics has also continued to expand much faster than the non-Hispanic population. But the steadily increasing share of total buying power Idaho Hispanics are gaining appears to be driven by their rising population.

In 2007, Hispanic buying power is expected to near \$2.1 billion in Idaho, up 9 percent from 2006, while the buying power of non-Hispanics across the state will rise just 6 percent to \$38.8 billion, the Selig Center forecasts.

Buying power is the total personal income of residents that is available after taxes for spending on virtually everything that people buy, from necessities like food, clothing and housing to luxuries like recreation equipment and vacations. It does not in-

clude money that has been borrowed or that is saved from previous years or that is spent by tourists from other states or countries.

At 4 percent last year - half the rate of 1992 - Idaho's Hispanic population still grew twice as fast as the state overall, but the buying power of Idaho's 133,000 Hispanics rose only 50 percent faster than non-Hispanics.



Based on the Selig Center estimates, the buying power of Idaho's Hispanic population has risen from 2.9 percent of total state buying power in 1990 to just over 5 percent today. During the same period, Idaho's Hispanic population rose from 5.2 percent of total population in 1990 to 9.3 percent now.

Clearly, this growth is diversifying Idaho's consumer

markets and creating new business opportunities for entrepreneurs who reach out to this expanding economic bloc. But the fact that Hispanic per capita buying power is only about half that of non-Hispanics would limit the specific markets that would be profitable.

The issue is whether Hispanics are really becoming better off. One standard analysts use is real per capita buying power. This measure adjusts for population and inflation.

Annual Real Per Capita Buying Power		
Year	Hispanics	Non-Hispanics
1991	-2.90%	-1.90%
1992	2.00%	3.10%
1993	2.10%	3.20%
1994	-0.20%	0.90%
1995	-0.10%	1.00%
1996	0.10%	1.20%
1997	-1.60%	-0.60%
1998	3.10%	4.20%
1999	1.00%	2.10%
2000	4.00%	1.60%
2001	3.70%	1.70%
2002	3.10%	2.20%
2003	0.00%	-0.90%
2004	4.70%	3.80%
2005	1.60%	1.30%
2006	1.80%	1.50%
2007*	2.90%	2.60%
2008*	2.70%	2.50%
2009*	2.80%	2.50%
2010*	2.80%	2.50%
2011*	2.70%	2.50%

* indicate estimates

Source: U.S. Census Bureau, Selig Center for Economic Growth, Idaho Commerce & Labor

In the 1990s, Idaho Hispanics' real per capita buying power was stagnant as compared to non-Hispanics. Real per capita Hispanic buying power only grew on average 0.3 percent each year while non-Hispanics realized gains of 1.3 percent annually. Since 2000, however, this trend has reversed, and Hispanics on average have experienced 0.9 percent yearly gains to just 0.6 percent for non-Hispanics. Selig Center projections would indicate for the decade through 2009 Hispanics will see further gains of 2.3 percent on average versus an average 1.7 percent for non-Hispanics.

Although Hispanics are becoming better off at a faster rate than non-Hispanics, the income gap remains significant - almost half as compared to non-Hispanic - and closing it will require increasing the education and training available to Hispanics.

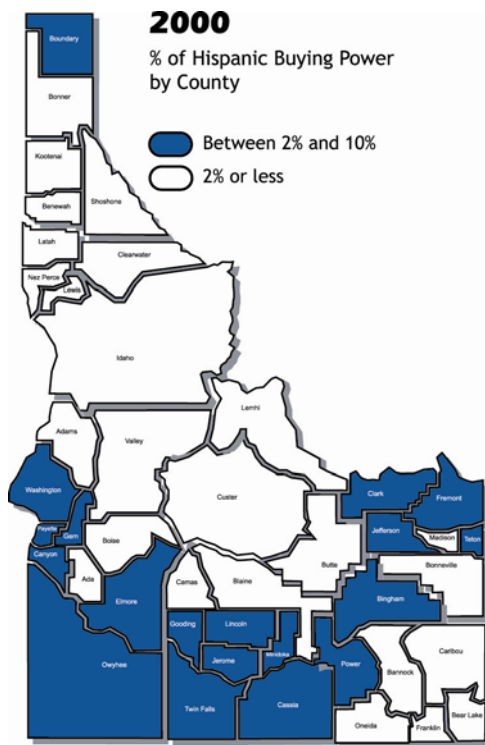
Annual Household Spending		
Category	Hispanic	Non-Hispanic
Food At Home	10.3%	7.4%
Food Away	5.4%	5.6%
Alcoholic Beverages	0.9%	1.1%
Housing	34.3%	31.9%
Apparel & Services	4.8%	4.1%
Transportation	20.0%	17.8%
Health Care	4.2%	6.1%
Entertainment	3.8%	5.2%
Personal Care Products & Services	1.4%	1.3%
Reading	0.1%	0.3%
Education	1.2%	2.2%
Tobacco Products & Smoking Supplies	0.4%	0.7%
Miscellaneous	1.3%	1.6%
Cash Contributions	1.9%	3.4%
Personal Insurance & Pensions	10.0%	11.2%

Source: Selig Center for Economic Growth, 2004

This reflects the employment status of Hispanics in general. According to the U.S. Census Bureau, 54 percent of Idaho Hispanics over 25 in 2005 did not have a high school diploma compared to 13 percent of the population overall.

As a result, a greater number of Hispanics were holding down lower paying jobs. While service, agriculture, construction, maintenance and repair occupations provide jobs for 30 percent of the Idaho work force, 52 percent of Hispanic workers are employed in those occupations. In contrast, only 13 percent of Hispanics worked in management or professional jobs compared to 31 percent of the overall labor force.

Three of every 10 Hispanic families live at or below the federal poverty line, triple the rate for the state overall, and the median income for an Hispanic family in Idaho is 60 percent the statewide median. That leaves



Hispanic consumers with significantly less disposable income.

According to the Selig Center, Hispanic families spent 70 percent of their incomes nationally on food, housing and transportation in 2004 while non-Hispanic families spent less than 63 percent on those necessities.

At the same time, Hispanic families spent just 5.4 percent of their incomes on health care and education compared to 8.3 percent for non-Hispanic families.

By 2011, the Selig Center estimates that Hispanic buying power in Idaho will jump another 14 percent, 14 points higher than the anticipated growth in Idaho buying power overall. That would give Hispanics nearly 5.7 percent of the buying power in the state.

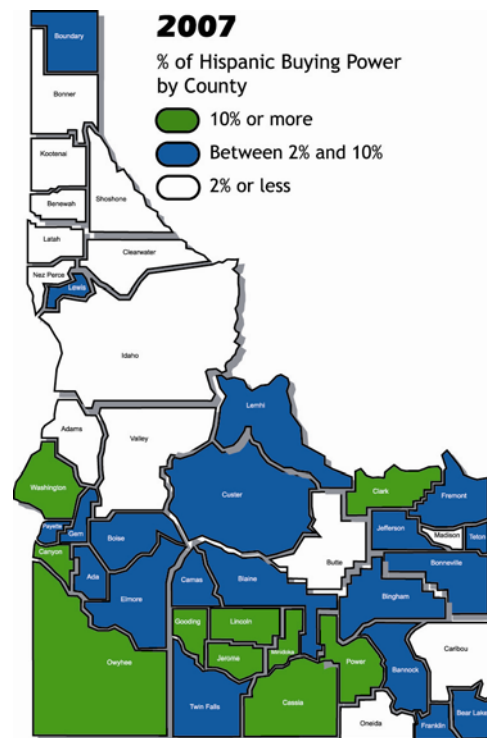
But the implications of this growth vary significantly across the state because Idaho's Hispanic population is heavily concentrated

in the south central and southwestern parts of the state.

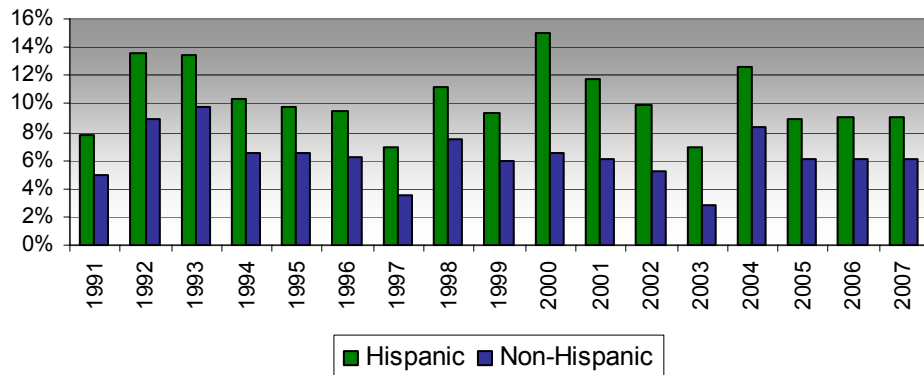
Hispanic gains have been significant since 2000, when only five Idaho counties had Hispanic populations over 10 percent, and there was no county where Hispanics controlled over 10 percent of the buying power. In fact, 14 counties recorded Hispanic buying power of less than 1 percent and over half, 24, less than 2 percent.

But today, Hispanics in 10 counties of southern Idaho control 10 percent or more of the buying power, and in small Clark County in eastern Idaho, Hispanics have 27.5 percent of the buying power. Only one county, Nez Perce, records Hispanic buying power and less than 1 percent and just 14 are 2 percent or less.

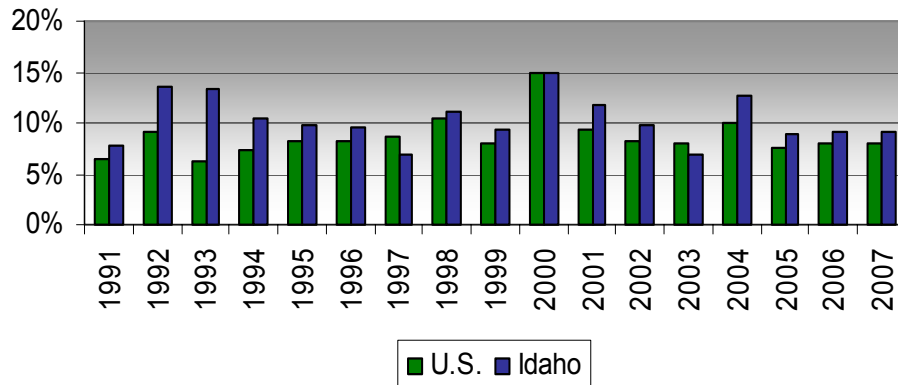
The significant growth in Idaho's Hispanic population continues to increase its portion of total buying power as compared to the rest of the state, but actual gains in individual economic influence for Idaho Hispanics have so far been limited.



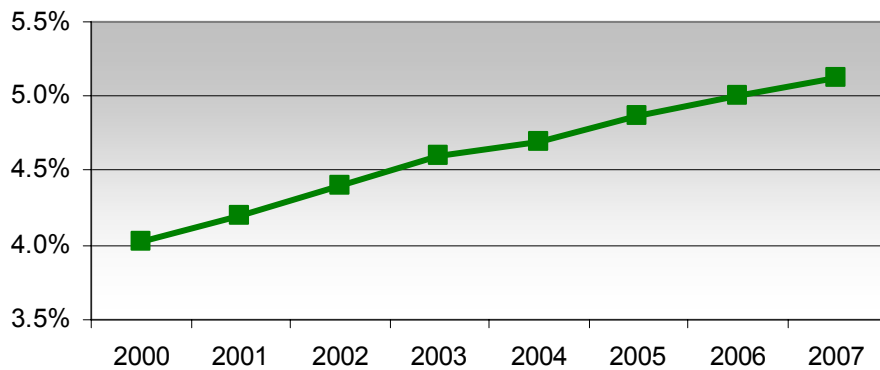
**Percentage Growth in Idaho Buying Power
1991-2007**



**Percentage Growth in Hispanic Buying Power
U.S., Idaho - 1991-2007**



**Hispanic Buying Power
as Percent of Idaho Total**



Buying Power By County For Hispanics and Total Population

	2000		2007		Hispanic Percent of Total	
County	Hispanic	Total	Hispanic	Total	Buying Power	Population
State	\$1,095,138,000	\$27,239,511,000	\$2,095,723,000	\$40,895,221,000	5.1%	8.9%
Ada	\$58,283,859	\$4,857,528,128	\$359,294,450	\$12,114,339,272	3.0%	5.3%
Adams	\$302,167	\$47,064,522	\$1,126,056	\$77,737,785	1.4%	2.1%
Bannock	\$23,125,621	\$1,232,722,479	\$64,041,439	\$2,183,576,720	2.9%	5.2%
Bear Lake	\$1,965,859	\$99,316,164	\$4,070,808	\$151,285,455	2.7%	2.3%
Benewah	\$963,088	\$126,999,796	\$2,794,261	\$221,272,997	1.3%	2.0%
Bingham	\$32,469,243	\$695,077,868	\$103,939,463	\$1,213,364,839	8.6%	13.9%
Blaine	\$2,785,024	\$352,619,871	\$42,797,432	\$814,034,125	5.3%	15.1%
Boise	\$921,656	\$69,647,781	\$5,690,153	\$221,814,960	2.6%	3.6%
Bonner	\$2,845,470	\$445,271,165	\$11,633,067	\$1,022,041,789	1.1%	1.8%
Bonneville	\$27,741,912	\$1,539,771,879	\$128,536,711	\$2,924,708,582	4.4%	8.1%
Boundary	\$2,842,107	\$132,407,961	\$5,871,274	\$252,743,785	2.3%	3.3%
Butte	\$447,148	\$45,063,753	\$1,232,929	\$65,171,716	1.9%	4.8%
Camas	\$28,109	\$12,774,618	\$833,749	\$27,323,919	3.1%	5.9%
Canyon	\$109,557,524	\$1,650,021,271	\$569,325,309	\$4,498,410,159	12.7%	19.8%
Caribou	\$1,095,615	\$132,754,668	\$2,948,395	\$204,262,698	1.4%	3.8%
Cassia	\$16,773,093	\$331,448,302	\$54,422,833	\$541,186,028	10.1%	20.9%
Clark	\$498,921	\$12,142,271	\$6,231,103	\$22,678,569	27.5%	39.4%
Clearwater	\$997,501	\$138,196,915	\$2,320,274	\$204,522,190	1.1%	1.7%
Custer	\$715,658	\$67,851,378	\$3,210,781	\$99,906,239	3.2%	5.2%
Elmore	\$13,200,829	\$379,660,353	\$57,279,187	\$768,885,906	7.4%	12.7%
Franklin	\$1,738,500	\$169,421,780	\$11,552,905	\$339,773,430	3.4%	6.7%
Fremont	\$5,138,760	\$185,519,272	\$19,825,663	\$311,643,189	6.4%	12.3%
Gem	\$5,546,693	\$208,699,033	\$19,814,880	\$427,100,166	4.6%	7.0%
Gooding	\$8,323,542	\$188,657,427	\$43,833,486	\$351,214,510	12.5%	20.0%
Idaho	\$1,009,689	\$206,900,512	\$3,413,556	\$352,863,135	1.0%	1.7%
Jefferson	\$10,118,739	\$318,026,188	\$35,463,727	\$620,248,402	5.7%	9.7%
Jerome	\$7,505,056	\$267,844,072	\$65,106,441	\$518,947,599	12.5%	23.3%
Kootenai	\$11,070,424	\$1,348,370,431	\$74,586,501	\$3,671,063,262	2.0%	2.9%
Latah	\$3,661,508	\$505,816,543	\$14,418,613	\$859,914,859	1.7%	2.7%
Lemhi	\$1,235,279	\$106,058,934	\$3,748,478	\$181,827,513	2.1%	2.8%
Lewis	\$466,010	\$56,095,196	\$2,080,833	\$89,719,640	2.3%	2.6%
Lincoln	\$1,664,313	\$55,123,808	\$12,674,392	\$112,447,611	11.3%	17.1%
Madison	\$4,721,073	\$392,985,051	\$15,609,466	\$769,252,649	2.0%	4.2%
Minidoka	\$27,494,591	\$314,868,689	\$72,806,725	\$463,719,354	15.7%	27.3%
Nez Perce	\$2,754,939	\$622,958,803	\$9,612,942	\$1,048,171,516	0.9%	2.0%
Oneida	\$352,097	\$61,127,433	\$1,227,267	\$109,985,093	1.1%	2.4%
Owyhee	\$10,406,481	\$120,979,624	\$35,064,659	\$238,999,319	14.7%	22.5%
Payette	\$9,827,432	\$275,676,633	\$46,913,470	\$558,676,010	8.4%	13.4%
Power	\$7,438,046	\$115,600,797	\$29,941,318	\$190,293,095	15.7%	25.4%
Shoshone	\$2,436,304	\$202,231,067	\$5,742,541	\$285,944,399	2.0%	2.3%
Teton	\$2,303,125	\$73,623,566	\$20,285,853	\$238,677,383	8.5%	13.8%
Twin Falls	\$26,507,654	\$941,642,170	\$125,265,123	\$1,824,398,949	6.9%	11.2%
Valley	\$601,139	\$115,191,944	\$2,550,362	\$234,336,603	1.1%	2.8%
Washington	\$7,281,004	\$133,535,141	\$24,547,102	\$235,536,548	10.4%	16.0%

Source: U.S. Census Bureau, Selig Center for Economic Growth

Hispanic Percent of Total Population, Buying Power By County

County	2000		2005		2007	
	Population	Buying Power	Population	Buying Power	Population	Buying Power
State	5.3%	4.0%	8.9%	4.9%	8.9%	5.1%
Ada	2.7%	1.2%	5.3%	2.8%	5.3%	3.0%
Adams	1.2%	0.6%	2.1%	1.4%	2.1%	1.4%
Bannock	4.2%	1.9%	5.2%	2.8%	5.2%	2.9%
Bear Lake	2.2%	2.0%	2.3%	2.6%	2.3%	2.7%
Benewah	1.6%	0.8%	2.0%	1.2%	2.0%	1.3%
Bingham	9.7%	4.7%	13.9%	8.1%	13.9%	8.6%
Blaine	2.9%	0.8%	15.1%	5.0%	15.1%	5.3%
Boise	2.4%	1.3%	3.6%	2.4%	3.6%	2.6%
Bonner	1.3%	0.6%	1.8%	1.1%	1.8%	1.1%
Bonneville	4.2%	1.8%	8.1%	4.2%	8.1%	4.4%
Boundary	3.9%	2.1%	3.3%	2.2%	3.3%	2.3%
Butte	3.2%	1.0%	4.8%	1.8%	4.8%	1.9%
Camas	0.5%	0.2%	5.9%	2.9%	5.9%	3.1%
Canyon	13.3%	6.6%	19.8%	12.0%	19.8%	12.7%
Caribou	2.8%	0.8%	3.8%	1.4%	3.8%	1.4%
Cassia	13.4%	5.1%	20.9%	9.5%	20.9%	10.1%
Clark	7.5%	4.1%	39.4%	26.1%	39.4%	27.5%
Clearwater	1.4%	0.7%	1.7%	1.1%	1.7%	1.1%
Custer	2.2%	1.1%	5.2%	3.1%	5.2%	3.2%
Elmore	7.6%	3.5%	12.7%	7.1%	12.7%	7.4%
Franklin	2.6%	1.0%	6.7%	3.2%	6.7%	3.4%
Fremont	6.8%	2.8%	12.3%	6.0%	12.3%	6.4%
Gem	5.1%	2.7%	7.0%	4.4%	7.0%	4.6%
Gooding	9.0%	4.4%	20.0%	11.9%	20.0%	12.5%
Idaho	1.1%	0.5%	1.7%	0.9%	1.7%	1.0%
Jefferson	6.9%	3.2%	9.7%	5.4%	9.7%	5.7%
Jerome	6.6%	2.8%	23.3%	11.9%	23.3%	12.5%
Kootenai	1.5%	0.8%	2.9%	1.9%	2.9%	2.0%
Latah	1.5%	0.7%	2.7%	1.6%	2.7%	1.7%
Lemhi	2.0%	1.2%	2.8%	2.0%	2.8%	2.1%
Lewis	1.2%	0.8%	2.6%	2.2%	2.6%	2.3%
Lincoln	5.8%	3.0%	17.1%	10.7%	17.1%	11.3%
Madison	3.2%	1.2%	4.2%	1.9%	4.2%	2.0%
Minidoka	19.4%	8.7%	27.3%	14.9%	27.3%	15.7%
Nez Perce	1.2%	0.4%	2.0%	0.9%	2.0%	0.9%
Oneida	1.6%	0.6%	2.4%	1.1%	2.4%	1.1%
Owyhee	16.8%	8.6%	22.5%	13.9%	22.5%	14.7%
Payette	7.3%	3.6%	13.4%	8.0%	13.4%	8.4%
Power	13.3%	6.4%	25.4%	14.9%	25.4%	15.7%
Shoshone	1.8%	1.2%	2.3%	1.9%	2.3%	2.0%
Teton	6.5%	3.1%	13.8%	8.1%	13.8%	8.5%
Twin Falls	5.9%	2.8%	11.2%	6.5%	11.2%	6.9%
Valley	1.7%	0.5%	2.8%	1.0%	2.8%	1.1%
Washington	10.6%	5.5%	16.0%	9.9%	16.0%	10.4%

Source: U.S. Census Bureau, Selig Center for Economic Growth

Methodology

The Selig Center for Economic Growth at the University of Georgia calculated buying power for various races and ethnicities, including Hispanics and non-Hispanics, for the nation and each of the 50 states. These estimates were calculated using national and regional economic models, univariate forecasting techniques and data from various federal government sources. The model developed by the Selig Center integrates statistical methods used in regional economics with those of market research. In general, the process has two parts: estimating disposable personal income and allocating that estimate by race or ethnicity based on both population estimates and variances in per capita income. The estimates of disposable personal income, or the total buying power of all groups regardless of race or ethnicity, for 1990-2005 equal disposable personal income as reported in the National Income and Product Accounts tables by the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System on March 28, 2006. Based on that data, the Selig Center prepared projections of total buying power for 2006-2011.

Because the Selig Center defines buying power as disposable personal income, the state-by-state estimates of the total buying power of all consumers for 1990-2005 are identical to the estimates of disposable personal income issued by the U.S. Bureau of Economic Analysis in 2006. Based on trends in the historical data, the Selig Center prepared independent estimates of total buying power for 2006-2011.

It should be noted that buying power is not the equivalent of aggregate money income as defined by the Census Bureau. Because the Selig Center's estimates are based on disposable personal income data obtained from Commerce Department rather than money income values issued by the Census Bureau, the result is significantly higher es-

timates of buying power. The difference primarily results from the fact that the Census Bureau data are gathered through a nationwide survey sample of households and respondents tend to underreport their income. It should also be emphasized that the Selig Center's estimates are not equivalent to aggregate consumer expenditures as reported in the Consumer Expenditure Survey that is conducted each year by the U.S. Bureau of Labor Statistics.

The Selig Center's estimates of total buying power were allocated to each racial group and Hispanics based on Census Bureau population estimates and variances in per capita personal income by race or ethnicity.

For 1990-2011 a relative income adjustment factor was estimated for each group for each geographic area to compensate for the variation in per capita personal income, and by extension, in per capita disposable personal income, that is accounted for by race or ethnicity. These factors were calculated on an annual basis using Summary File 3 data regarding income by race and Hispanic origin from Census 2000 and per capita money income data by race for local areas that were gathered during the 1990 Census of Population and Housing. The Selig Center also relied on national-level data obtained from the Census Bureau's Current Population Surveys.

The absence of current detailed data at the state and sub-state level clearly makes the buying power estimates and projections for all of the racial or ethnic groups less precise, increasing their statistical error.

The center's buying power estimates for Idaho were allocated among the counties by population and then weighted by the ratio that the median Hispanic and non-Hispanic household incomes of each county had to the median Hispanic and non-Hispanic household incomes of the state.